

STATE SCHOOL AID UPDATE

Michigan Department of Education



October 2007

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CONTINUATION BUDGET APPROVED FOR OCTOBER 2007

Senate Bill 773 was signed by the Governor on October 1, 2007, and was enacted as Public Act 92 (P.A. 92) of 2007. P.A. 92 appropriates state funds for local school districts, intermediate school districts, public school academies and certain other state purposes related to education for the fiscal period beginning October 1, 2007 through October 31, 2007. P.A. 92 is part of a package of bills that temporarily allows for state operations to continue, after a brief shutdown in the early morning hours of October 1, 2007, while FY 2008 budget bills can be passed by the House and Senate and signed by the Governor. The act allocates state school aid funds for the same purposes, from the same funding sources and under the same conditions as state funds were allocated under the State School Aid Act for the fiscal year ending September 30, 2007 (FY 2007). The state funds are allocated in an amount equal to 9.09% of the amounts allocated for FY 2007. In addition, federal funds appropriated in the State School Aid Act have been allocated for the same purposes, from the same funding sources, under the same conditions and in the same amounts as those federal funds were allocated in FY 2007. This will allow for continued payment of federal flow-through funds through the Department's Cash Management System.

OCTOBER PAYMENT IS THE FIRST INSTALLMENT FOR FY2008

The first in the 11-payment schedule of school aid payments for FY 2008 is being made on Monday, October 22, 2007, pursuant to State School Aid Act language that was revised in April 2007 to say that the payment date would fall on the next business day (as opposed to the preceding business day) whenever the 20th of a month falls on a weekend or holiday.

Taxable value figures used in the calculation of the Section 20 and Section 22a state per pupil amounts are the initial tax year 2007 figures provided by the county treasurers via the web based reporting system. These data can be viewed by school district personnel on the Department's website. The URL is <http://mdoe.state.mi.us/taxvalue>. To view your data click on "Public Access," and then choose your district code and the applicable tax year from the drop down menu. **Questions concerning the taxable value figures should first be directed to the appropriate county treasurer.**

The **membership blend** used to calculate the October payment is an **estimate**. For traditional public school districts and intermediate districts, the figure used in place of the September 26, 2007, pupil count (which has not yet been received) is the September 27, 2006, count. For public school academies, a preliminary pupil count is being used which was reported on the form DS-4898. These estimates will be replaced by the actual (unaudited) counts, due to the Center for Education Performance and Information (CEPI) by November 14. Questions concerning **membership** should be directed to Joellen Wonsey in the Office of State Aid and School Finance at (517) 373-3352 or WonseyJ@michigan.gov.

Several **categoricals** have been "rolled over" for the October payment, meaning that the beginning FY 2008 allowance amounts are identical to the amounts awarded in FY 2007. Rolled over categoricals include:

- Michigan School Readiness - Section 32d (Connie Robinson, Early Childhood Education and Family Services, (517) 241-4291, RobinsonC1@Michigan.gov)
- ISD Great Start - Section 32j (Jacqueline Wood, Early Childhood Education and Family Services, (517) 241-4741, WoodJ2@Michigan.gov)

- At Risk - Section 31a (Contact your respective field services consultant)
- ISD General Formula - Section 81 (Dan Hanrahan, State Aid and School Finance, (517) 335-0521, HanrahanD@Michigan.gov)
- Middle School Math - Section 99c (Ruth Anne Hodges, School Improvement, (517) 241-2219, HodgesR3@Michigan.gov)
- Court Placed Pupils - Section 24 (Dianne Easterling, Special Education and Early Intervention Services, (517) 241-4517, EasterlingD@Michigan.gov)

Categoricals that have been updated for the October payment include:

- Vocational Education Added Cost - Section 61a(1) (Saundra Carter, Career and Technical Education, (517) 335-0372, CarterS5@Michigan.gov)
- School Lunch - Section 31d (Dawn Harris, Grants Coordination and School Support Services, (517) 373-4335, HarrisD6@Michigan.gov)
- Adult Education – Section 107 (Joellen Wonsey, State Aid and School Finance, (517) 373-3352, WonseyJ@Michigan.gov)

For information related to **Prior Year Adjustments**, see items below.

FY 2007 SECTION 31F FUNDS INCLUDED IN OCTOBER 2007 PAYMENT

In the past, the state school breakfast program funds have always been a separate payment disbursed in the fall to eligible school districts outside of the state school aid payment system. FY 2007 was the first year that the state funds for the **school breakfast program** were appropriated in the State School Aid Act. The FY 2007 funds are being paid in the October 2007 payment. Because these are prior year funds, they appear on the State School Aid Financial Status Report on page two in the section labeled "Prior Year Adjustments." Questions related to the school breakfast program payment should be directed to Dawn Harris, Grants Coordination and School Support Services, at (517) 373-4335, or HarrisD6@Michigan.gov.

CORRECTION OF SPECIAL EDUCATION ADJUSTMENTS

Intermediate school districts that sent pupils to the Michigan School for the Deaf in FY 2006 will see two FY 2006 adjustments on the October State School Aid Financial Status Report. One adjustment is labeled "51a.1 2006 Tuition Deduct-Deaf" and the other is labeled "54 2006 School For Deaf/Blind." These adjustments were originally included on the November 2006 status report. However, although the dollar amounts were correct, the positive and negative adjustments were reversed. The October 2007 adjustments correct this error. Questions related to these adjustments should be directed to Dianne Easterling, Special Education and Early Intervention Services, (517) 241-4517 or EasterlingD@Michigan.gov.

FINANCIAL INFORMATION DATABASE (FID) REMINDER

All public schools that received state school aid during FY 2007 are required to electronically submit their financial data via the Financial Information Database (FID) by November 15, 2007. Failure to submit the FID data by that date is cause for the withholding of future state school aid payments (MCL 388.1618(8)). Questions related to the financial data required in this submission may be directed to Glenda Rader at (517) 335-0524 or e-mail at RaderG@Michigan.gov.

At least one staff member must be designated by each district and public school academy to submit data via the FID application. To become authorized, this individual must download and complete a security agreement. The authorization does not have to be renewed each year. To locate the agreement, go to www.Michigan.gov/CEPI, click on "MEIS Data Services" from the left-side navigation bar, and then on "Financial Information Database." In the pink box titled "Upload FID Data to CEPI," click on the "FID Security Agreements" link. Questions related to accessing the system or submission of data to the FID may be directed to the DIT Client Service Center by e-mail Help-Desk@Michigan.gov or phone (517) 335-0505.

COMMON CALENDAR BILL ENACTED

Senate Bill 549 was signed by the Governor on October 1, 2007, and enacted as P.A. 101 of 2007. P.A. 101 requires that each intermediate school district and its constituent districts adopt a common school calendar by July 1, 2008. The calendar shall identify the dates for each school year when school will not be in session for a winter and spring break. Beginning in FY 2009, each district and intermediate district board shall ensure that its calendar complies with the adopted common calendar. Districts are also encouraged to adopt common days for professional development. The bill provides exceptions for districts currently operating year-round schools or international baccalaureate programs. There are provisions for districts that begin these programs in the future to apply for a waiver from the State Superintendent of Public Instruction. Districts may also apply for a waiver if they begin a trimester schedule or for other reasons for which they can provide justification. The bill does not apply to districts that have collective bargaining agreements in place that provide a complete school calendar that is not in compliance with the adopted common calendar until after the expiration of that collective bargaining agreement. This synopsis should not be considered a complete review of the bill. To view the bill in its entirety, go to www.Michiganlegislature.org and key in "549" when prompted for the bill number.

CONSOLIDATION OF SERVICES BILL ENACTED

House Bill 4592 was signed by the Governor on September 19, 2007, and enacted as P.A. 63 of 2007. P.A. 63 requires each intermediate school district to conduct a study concerning opportunities for its constituent districts to share services with the intermediate school district, other local districts or other units of local government. Each intermediate school district shall submit a report of the results of its study to the Department in the spring of 2008. The report shall address the possibility of sharing services in at least all of the following non-instructional services: pupil transportation, human resources, procurement, technology support, professional development, accounting, legal services, food and nutrition services, shipping and receiving, and event management. The bill also requires that the average cost per constituent district for each of the above listed services be included in the report. If an intermediate district has already conducted a study that meets the requirements of P.A. 63, it can report the results of that study without conducting another study. The form and manner to report the study results to the Department will be developed by the Department in conjunction with intermediate school district staff. A template for the report will be forthcoming. This synopsis should not be considered a complete review of the bill. To view the bill in its entirety, go to www.Michiganlegislature.org and key in "4592" when prompted for the bill number.

GENERAL INFORMATION

- Districts are required to report by **November 1** to the local health department the **immunization status** of all pupils in grades K-12 who enrolled in the district or ISD for the first time between January 1 and September 30, 2007 and **all 6th** grade pupils. (Patty Lawless, (517) 373-1122 or LawlessP@Michigan.gov).
- The **FY 2008 SRSD Records (including State Aid FTE Counts)** for the September 26, 2007, count date are due to ISDs on **October 31** and from the ISDs to CEPI on **November 14**. (CEPI (517) 335-0505 (option 3) or CEPI@Michigan.gov)
- **November 1** is the deadline for local districts (including PSAs) to file their **FY 2007 financial audit reports** with the ISDs. The **financial and pupil accounting audit reports** are due **November 15** from the ISDs to the Department. Failure to file these reports will result in the withholding of state aid. (Kathy Weller, (517) 335-6858 or WellerK@Michigan.gov).

*Do you have questions above the information appearing in this Update? Call the consultants identified above or **Dan Hanrahan, Director, State Aid & School Finance, MDE, phone : (517) 335-0521 fax (517) 241-0196, e-mail HanrahanD@Michigan.gov.**